

**CUSC Workgroup Consultation Responses Summary****CMP333 ' BSUoS – Charging Supplier Users on gross demand (TCR)'****Six responses received**

<b>Standard Workgroup Consultation questions</b>		
1	Do you believe that the CMP333 Original Proposal better facilitates the Applicable CUSC Objectives?	<p>Five out of six respondents believe that CMP333 better facilitates applicable objective (a) and three respondents stated that it better facilitated objective (c).</p> <p>One respondent said they did not believe that it would be economic or efficient to make this change whilst the work for the second BSUoS Task Force is still ongoing and therefore that it does not better facilitate the objectives.</p>
2	Do you support the proposed implementation approach?	<p>Three out of six respondents stated they support the proposed implementation approach and one stated that they did not.</p> <p>Some concerns were raised around the following:</p> <ul style="list-style-type: none"> <li>• system changes and cost implications on industry not being clear</li> <li>• alignment of BSUoS and TNUoS Residual reforms for Generators not happening</li> <li>• 'scattered approach' to implementing changes to BSUoS charging occurring</li> </ul>
3	Do you have any other comments?	<p>A respondent recommended awaiting the conclusions of the BSUoS Task Force and working on BSUoS charging as a whole as the best way to proceed.</p> <p>One respondent stated that the impact of not amending the baseline Trading unit set up was not fully explained.</p>
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	No respondents wanted to raise an alternative request.
<b>Specific CMP333 Workgroup Consultation questions</b>		
5	Does this solution discharge the direction from the Authority?	<p>Five respondents agreed that the solution would discharge the Authority's direction but some concerns raised around whether this is economic or efficient.</p> <p>One respondent stated that without greater transparency, it is not clear whether the outcome of the solution will discharge the Direction from the Authority in alignment with the objectives of the TCR.</p>

**CUSC Workgroup Consultation Response Proforma****CMP333: BSUoS – Charging Supplier Users on gross demand (TCR)**

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com) by **5pm** on **05<sup>th</sup> March 2020**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

If you have any queries on the content of this consultation please contact Christine Brown at [Christine.brown1@nationalgrideso.com](mailto:Christine.brown1@nationalgrideso.com) or [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com).

Respondent details	Please enter your details
<b>Respondent name:</b>	Joshua Logan
<b>Company name:</b>	Drax Group Plc
<b>Email address:</b>	Joshua.logan@drax.com
<b>Phone number:</b>	07934296838

**For reference the applicable CUSC objectives are:**

- a. *That compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity;*
- b. *That compliance with the use of system charging methodology results in charges which reflect, as far as is reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard licence condition C26 requirements of a connect and manage connection);*
- c. *That, so far as is consistent with sub-paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses;*
- d. *Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency. These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1 \*; and*
- e. *Promoting efficiency in the implementation and administration of the CUSC arrangements.*

*\*Objective (d) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).*

Please express your views regarding the Workgroup Consultation in the right-hand side of the table below, including your rationale.

Standard Workgroup Consultation questions		
1	Do you believe that CMP333 Original proposal better facilitate the Applicable CUSC Objectives?	<p>Yes, we believe that the CMP333 original proposal better facilitates the Applicable CUSC Objectives.</p> <p><b>Applicable Objective (a) – Positive</b></p> <p>The BSUoS “embedded benefit” is a market distortion which provides non cost reflective credits to small (&lt;100 MW) generators connected to the distribution networks. CMP333 will remove this market distortion, levelling the playing field and facilitating more effective competition between transmission and distribution connected generation.</p> <p><b>Applicable Objective (c) – Positive</b></p> <p>As part of Ofgem’s Targeted Charging Review (TCR) decision, they issued a direction requiring the ESO to raise relevant changes to the CUSC to implement the TCR decision. CMP333 will ensure compliance with this direction.</p>
2	Do you support the proposed implementation approach?	Yes, this change has been signalled for some time since the TCR minded to decision in November 2018. An implementation date of April 2021 is realistic and practicable for this particular TCR related modification.
3	Do you have any other comments?	We note that this modification should not impact transmission connected generation trading unit arrangements and agree that this is in line with Ofgem’s TCR decision which did not envisage any change in this area.
4	Do you wish to raise a Workgroup Consultation Alternative request for the Workgroup to consider?	No.
Specific CMP333 Workgroup Consultation questions		
5	Does this solution discharge the direction from the Authority?	Yes, this modification will remove the BSUoS “embedded benefit” which arises when small (<100 MW) distribution connected generation receive a payment from their supplier for reducing the suppliers BSUoS liability. We are also aware that some small (<100 MW) distribution connected generation can register Exempt Export BM Units and receive BSUoS credits directly from the ESO, this will also be removed as part of CMP333.



**CUSC Workgroup Consultation Response Proforma****CMP333: BSUoS – Charging Supplier Users on gross demand (TCR)**

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com) by **5pm** on **05<sup>th</sup> March 2020**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

If you have any queries on the content of this consultation please contact Christine Brown at [Christine.brown1@nationalgrideso.com](mailto:Christine.brown1@nationalgrideso.com) or [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com).

Respondent details	Please enter your details
<b>Respondent name:</b>	Kirsty Ingham Kamila Nugumanova
<b>Company name:</b>	ESB
<b>Email address:</b>	<a href="mailto:Kamila.nugumanova@esb.ie">Kamila.nugumanova@esb.ie</a>
<b>Phone number:</b>	020 7396 1032

**For reference the applicable CUSC objectives are:**

- That compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity;*
- That compliance with the use of system charging methodology results in charges which reflect, as far as is reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard licence condition C26 requirements of a connect and manage connection);*
- That, so far as is consistent with sub-paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses;*
- Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency. These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1 \*; and*
- Promoting efficiency in the implementation and administration of the CUSC arrangements.*

*\*Objective (d) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).*

**Please express your views regarding the Workgroup Consultation in the right-hand side of the table below, including your rationale.**

Standard Workgroup Consultation questions		
1	Do you believe that CMP333 Original proposal better facilitate the Applicable CUSC Objectives?	We believe that CMP333 original proposal better facilitates applicable CUSC objective (a). In our view, it has no impact on the remaining applicable objectives.
2	Do you support the proposed implementation approach?	<p>Whilst we agree that April 2021 is the date required for implementing the changes in compliance with Ofgem's TCR Direction, we are concerned with the scattered approach to implementing changes to BSUoS charging. Specifically, given a multitude of changes and reviews that are still pending, we would like to see a one-step implementation of all changes. This would allow for industry and the Authority to carry out a more robust and holistic IA.</p> <p>With regards to the actual implementation approach, the report does not elaborate on necessary industry and system changes (if any) or any specific practical considerations. Therefore, it is difficult to assess the cost of implementation to the industry as well as any explicit requirements from individual parties that may arise as a result of CMP333 implementation.</p>
3	Do you have any other comments?	<p>We agree that TCR Direction does not specify whether reforms need to apply to Trading party concepts and is primarily focused on Supplier BMU arrangements. While the WG report does explain that Trading Units will continue to fall under baseline arrangements and will be able to net off their BSUoS positions, the report does not explain the implications of this arrangement on the stated benefits of this change. Specifically we highlight the following concerns with the conclusion made by the WG report:</p> <ul style="list-style-type: none"> <li>The report notes that embedded generators within Trading Units will continue to receive payments. Our understanding is that these are not direct payments to embedded generators, but instead are BSUoS- offsetting and netting off benefits for the Trading Unit or the main Trading party. The report should elaborate on these arrangements and what</li> </ul>

		<p>are the exact benefits that an individual generator can receive under these rules.</p> <ul style="list-style-type: none"> <li>The report also does not provide estimates of embedded parties with a BEGA agreement in order to evaluate the scope of the parties not affected by the reforms. We understand that it may be difficult to provide an exact calculation, however, it is critical to at least provide assumptions used in the analysis. Respondents can then challenge or agree with the assumption made about the number of parties with BEGA agreements, who are thus not affected by the proposals.</li> <li>Impact Assessment of potential changes in the average BSUoS cost provided in the report is high-level and opaque. It is also not clear whether the IA already incorporates the above point about estimates of the number of generators that will remain under status quo arrangements, or whether it considers that all embedded generators will be affected. A narrative explaining the basis for and key assumptions used in the IA would be useful.</li> </ul>
4	Do you wish to raise a Workgroup Consultation Alternative request for the Workgroup to consider?	No
<b>Specific CMP333 Workgroup Consultation questions</b>		
5	Does this solution discharge the direction from the Authority?	<p>The solution introduces industry processes that would discharge the practical explicit task given in the Direction. However, we believe that, subject to an updated and transparent calculation, the underlying design of the solution may not achieve the ultimate purpose and high-level objective of the Direction, i.e. ensuring a level playing field between Tx- connected generators, Large Distributed generators and Small distributed generators. If only a small number of SDG are impacted by the change, the overall impact on the market and balance of power/ competitiveness may not reflect what was initially foreseen in the TCR decision and projected in the TCR IA. In summary, without greater transparency, it is not clear whether the</p>

		outcome of the solution will discharge the Direction from the Authority in alignment with the objectives of the TCR.
--	--	--



**CUSC Workgroup Consultation Response Proforma****CMP333: BSUoS – Charging Supplier Users on gross demand (TCR)**

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com) by **5pm** on **05<sup>th</sup> March 2020**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

If you have any queries on the content of this consultation please contact Christine Brown at [Christine.brown1@nationalgrideso.com](mailto:Christine.brown1@nationalgrideso.com) or [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com).

Respondent details	Please enter your details
<b>Respondent name:</b>	Mark Draper
<b>Company name:</b>	Flexible Generation Group
<b>Email address:</b>	mdraper@peakgen.com
<b>Phone number:</b>	01926 336127

**For reference the applicable CUSC objectives are:**

- That compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity;*
- That compliance with the use of system charging methodology results in charges which reflect, as far as is reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard licence condition C26 requirements of a connect and manage connection);*
- That, so far as is consistent with sub-paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses;*
- Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency. These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1 \*; and*
- Promoting efficiency in the implementation and administration of the CUSC arrangements.*

*\*Objective (d) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).*

**Please express your views regarding the Workgroup Consultation in the right-hand side of the table below, including your rationale.**

Standard Workgroup Consultation questions		
1	Do you believe that CMP333 Original proposal better facilitate the Applicable CUSC Objectives?	<p>No.</p> <p>We do not believe that it is economic or efficient to make this change while the work of the second BSUoS Task Force is still ongoing. The Task Force is due to report and its proposed changes, if agreed by Ofgem, are due to be implemented at the same time as this modification. As a result, any time and effort spent making this change is likely to be wasted, even though the same issue will still be addressed as the Task Force is focussing on reducing market distortions. The market needs stability not to be making changes that are not actually implemented.</p>
2	Do you support the proposed implementation approach?	No – for the reasons noted above.
3	Do you have any other comments?	<p>While FGG understands the rational behind Ofgem's original direction, it sees to be inefficient (against objective (e)) to make this change and then make further changes depending on the outcome of the second BSUoS Task Force. Ofgem wants the changes from the Task Force to be implemented at the same time as this modification. Given the current discussions at the Task Force it seems likely the BSUoS charge will alter to a fixed change and be placed on Suppliers only. Therefore it makes more sense to reject this modification and work towards a longer term, enduring solution.</p>
4	Do you wish to raise a Workgroup Consultation Alternative request for the Workgroup to consider?	No
Specific CMP333 Workgroup Consultation questions		
5	Does this solution discharge the direction from the Authority?	Yes, but the FGG believes that developments since the direction make fulfilling the direction uneconomic and inefficient at the current time.

**CUSC Workgroup Consultation Response Proforma****CMP333: BSUoS – Charging Supplier Users on gross demand (TCR)**

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com) by **5pm** on **05<sup>th</sup> March 2020**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

If you have any queries on the content of this consultation please contact Christine Brown at [Christine.brown1@nationalgrideso.com](mailto:Christine.brown1@nationalgrideso.com) or [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com).

Respondent details	Please enter your details
<b>Respondent name:</b>	Grace March
<b>Company name:</b>	Sembcorp Energy UK
<b>Email address:</b>	Grace.march@sembcorp.com
<b>Phone number:</b>	07554439689

**For reference the applicable CUSC objectives are:**

- That compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity;*
- That compliance with the use of system charging methodology results in charges which reflect, as far as is reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard licence condition C26 requirements of a connect and manage connection);*
- That, so far as is consistent with sub-paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses;*
- Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency. These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1 \*; and*
- Promoting efficiency in the implementation and administration of the CUSC arrangements.*

*\*Objective (d) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).*

**Please express your views regarding the Workgroup Consultation in the right-hand side of the table below, including your rationale.**

Standard Workgroup Consultation questions		
1	Do you believe that CMP333 Original proposal better facilitate the Applicable CUSC Objectives?	<p>Objective a) Yes</p> <p>As this modification removes a distortion between distribution- and transmission-connected generation, it facilitates competition</p> <p>Objective b) Neutral</p> <p>There is no evidence to suggest that the overall impact of embedded generation is to increase or reduce Balancing Services costs, so there is no significant impact on cost-reflectivity</p> <p>Objective c) Yes</p> <p>This Modification fulfils the Direction from Ofgem as a result of the Targeted Charging Review</p> <p>Objective d) Neutral</p> <p>Objective e) Neutral</p>
2	Do you support the proposed implementation approach?	Due to the timing of the TCR decision, affected parties will not have a lot of time to prepare for the change. However, it has been signposted throughout the TCR process. The proposed implementation is in line with the Direction and is therefore appropriate.
3	Do you have any other comments?	The nature of the distortion (a side effect of the current methodology, rather than a conscious process) means finding a solution that addresses all possible situations suitably is difficult.
4	Do you wish to raise a Workgroup Consultation Alternative request for the Workgroup to consider?	No
Specific CMP333 Workgroup Consultation questions		
5	Does this solution discharge the direction from the Authority?	Yes

**CUSC Workgroup Consultation Response Proforma****CMP333: BSUoS – Charging Supplier Users on gross demand (TCR)**

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com) by **5pm** on **05<sup>th</sup> March 2020**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

If you have any queries on the content of this consultation please contact Christine Brown at [Christine.brown1@nationalgrideso.com](mailto:Christine.brown1@nationalgrideso.com) or [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com).

Respondent details	Please enter your details
<b>Respondent name:</b>	Paul Jones
<b>Company name:</b>	Uniper UK Ltd
<b>Email address:</b>	paul.jones@uniper.energy
<b>Phone number:</b>	07771975782

**For reference the applicable CUSC objectives are:**

- a. *That compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity;*
- b. *That compliance with the use of system charging methodology results in charges which reflect, as far as is reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard licence condition C26 requirements of a connect and manage connection);*
- c. *That, so far as is consistent with sub-paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses;*
- d. *Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency. These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1 \*; and*
- e. *Promoting efficiency in the implementation and administration of the CUSC arrangements.*

*\*Objective (d) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).*

**Please express your views regarding the Workgroup Consultation in the right-hand side of the table below, including your rationale.**

Standard Workgroup Consultation questions		
1	Do you believe that CMP333 Original proposal better facilitate the Applicable CUSC Objectives?	Yes. It better promotes competition by removing part of the current embedded benefit.
2	Do you support the proposed implementation approach?	Yes, it meets the requirements of the Direction from Ofgem.
3	Do you have any other comments?	No thank you.
4	Do you wish to raise a Workgroup Consultation Alternative request for the Workgroup to consider?	No thank you.
Specific CMP333 Workgroup Consultation questions		
5	Does this solution discharge the direction from the Authority?	Yes, it meets what is required in the Direction. We would prefer it if the whole embedded benefit and the distortion to cross border trade was addressed by removing BSUoS charging from all generation. We hope that this will be addressed through the work of the Balancing Services Task Force.

**CUSC Workgroup Consultation Response Proforma****CMP333: Charging Supplier Users on gross demand (TCR)**

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com) by **5pm on 05 March 2020**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

If you have any queries on the content of this consultation please contact Christine Brown at [Christine.brown1@nationalgrideso.com](mailto:Christine.brown1@nationalgrideso.com) or [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com).

Respondent details	Please enter your details
<b>Respondent name:</b>	Simon Vicary
<b>Company name:</b>	EDF Energy Customers Limited
<b>Email address:</b>	simon.vicary@edfenergy.com
<b>Phone number:</b>	07875110961

**For reference the applicable CUSC objectives are:**

- a. *That compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity;*
- b. *That compliance with the use of system charging methodology results in charges which reflect, as far as is reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard licence condition C26 requirements of a connect and manage connection);*
- c. *That, so far as is consistent with sub-paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses;*
- d. *Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency. These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1 \*; and*
- e. *Promoting efficiency in the implementation and administration of the CUSC arrangements.*

*\*Objective (d) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).*



Please express your views regarding the Workgroup Consultation in the right-hand side of the table below, including your rationale.

Standard Workgroup Consultation questions		
1	Do you believe that the CMP333 Original Proposal better facilitates the Applicable CUSC Objectives?	<p>(a) That compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity – <b>Positive</b></p> <p>(b) That compliance with the use of system charging methodology results in charges which reflect, as far as is reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard licence condition C26 requirements of a connect and manage connection) – <b>Neutral</b></p> <p>(c) That, so far as is consistent with sub-paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses – <b>Positive</b></p> <p>(d) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency. These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1 – <b>Neutral</b></p> <p>(e) Promoting efficiency in the implementation and administration of the CUSC arrangements – <b>Neutral</b></p>
2	Do you support the proposed implementation approach?	<p>We support the proposed implementation approach with the change taking effect on 1<sup>st</sup> April 2021. However, we believe that only partial delivery of the non-locational embedded benefits package leaves distortions between transmission and distribution connected generators and that a delay to April 2022</p>



		would provide time for a decision to be concluded on full BSUoS reform. Our view is that implementation of BSUoS and TNUoS Residual reforms for Generators should be aligned.
3	Do you have any other comments?	No
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	No
<b>Specific CMP333 Workgroup Consultation questions</b>		
5	Does this solution discharge the direction from the Authority?	The solution, illustrated in Table 2 of the Workgroup Consultation, fully discharges the direction from the Authority which clearly states in paragraph 47 that <i>"... such charges are to be applied using gross demand measured at the Grid Supply Point, having the effect of removing the Embedded Benefit that enables the offsetting of Suppliers' net demand and in turn, a reduction of liability for balancing services charges. This will remove payments from suppliers to smaller distributed generators for this service."</i>